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CONGRESSIONAL RECORD — SENATE

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stitution. My deepest appreciation goes to each and every one.

HOWARD A. COOK,
President.

NOVEMBER 1963.

Cuba file

NEW EVIDENCE OF CASTRO
SUBVERSION

Mr. KEATING. Mr. President, the announcement that Castro-Communist agents are proven to have played a very large role in the recent outbreak of violence in Panama should be sufficient evidence that the United States can no longer delay effective measures to combat the export of terrorism and subversion from Cuba.

In mid-December I proposed and called to the attention of our Department of State the possibility of creating an Inter-American Subversion Control Board. Such a group, I believe, could perform the same kind of function that is performed so effectively and efficiently by Interpol. There is pressing need throughout this hemisphere for greater coordination of information. Every Latin American government should have immediate access to detailed records of Cuban-trained Communist agents, their whereabouts, their financial status, and their techniques of operation. This information should have been promptly available and made known to the world at the time of the Panamanian riots.

The need is critical but unfortunately the machinery is not yet in existence to provide the necessary surveillance of Communist movements. The entire hemisphere would benefit by the creation of a board with adequate authority to follow and to follow up on Castro's agents in the Western Hemisphere.

Mr. President, it is not enough just to talk. We have seen that that does not even persuade our own allies not to renew contact with Castro. What is needed is some action to set up the kind of machinery necessary to do the job that needs to be done. We cannot afford further delay. In 1961 and 1962 we permitted the progressive buildup of Soviet military power in Cuba until the United States and the world were confronted with a major military confrontation in the cold war. In 1963 we have permitted the progressive buildup of subversive training activities and terrorist potentialities in Cuba until the United States and the hemisphere are again confronted with a major threat to security and peaceful progress. How long will we continue to face the Cuba problem inadequately and ineffectively? How long will we continue to wait until a major crisis occurs before we establish the machinery and formulate the policies necessary to cope with it?

REVENUE ACT OF 1964

Mr. SMATHERS. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce

individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes.

The PRESIDENT pro tempore. Under the rule, the 3-hour period for germaneness of debate is now in effect.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Illinois will state it.

Mr. DOUGLAS. I should like to inquire of the Senator in charge of the bill, the distinguished junior Senator from Louisiana [Mr. LONG], whether any motion or request has been made to accept the committee amendments en bloc as a basis for discussion and action.

Mr. LONG of Louisiana. The request has not been made because it would not be agreed to. I expect to make such a unanimous-consent request later today, or perhaps on Monday. I have discussed this subject with a number of Senators. There would be objection if the request were made at the present moment. That being the case, I see no reason to make a futile request.

Mr. DOUGLAS. Speaking for myself, the Senator from Tennessee [Mr. GORE], the Senator from Wisconsin [Mr. PROXMIER], and I believe the Senator from Connecticut [Mr. RIBICOFF], we are ready to accept the committee amendments as text, with one exception—namely, the provision with respect to capital gains. We wish that provision to be put to a vote, in order to support the committee's position. I suggest that the Senate get on with the business of voting on the bill.

Mr. LONG of Louisiana. As far as I am concerned, I am perfectly content to do that, but a number of Senators are not.

Mr. DOUGLAS. Who is holding up the bill?

Mr. LONG of Louisiana. I am not holding up the bill, but there are others—

Mr. DOUGLAS. We is holding it up?

Mr. LONG of Louisiana. I do not know, but various Senators are out of the city.

Mr. DOUGLAS. Let us test it by moving to adopt the committee's amendments as original text with the exception of the capital gains provision and if no objection is heard, let that amendment be brought up.

Mr. LONG of Louisiana. I do not wish to vote until they can return to Washington. As far as I am concerned, I am willing to accommodate them. I have no choice.

Mr. DOUGLAS. The Senator states he does not know who the Senators are, but he is ready to accommodate them. Who are these mysterious strangers who are holding up action on the bill?

Mr. LONG of Louisiana. I have no choice. As far as I am concerned, the pending business would be to vote on striking the preamble; and on that issue I am ready to vote now. I hope it may be done by unanimous consent.

Mr. DOUGLAS. Why not try a unanimous-consent request that the committee amendments be agreed to en bloc, and that the bill, as amended, be treated as original text for purposes of amendment? Ask unanimous consent.

Mr. DIRKSEN. Mr. President, I would object to the request.

Mr. RIBICOFF. Mr. President, I have received expressions of cooperation and courtesy from the Senator in charge of the bill, the Senator from Louisiana [Mr. LONG], and also the minority leader. Without question, one of the major amendments to the bill will be my proposed tax credit for education expenses of youngsters in college.

I was interested in the considerable amount of attention paid to the so-called Ribicoff amendment at the start of the debate on the tax bill yesterday. I am honored by my distinguished colleagues' interest in my proposal to give a break to those who foot the bill for the education of our Nation's college youngsters.

But I was surprised at the amount of misinformation that crept into the discussion. In the public interest, I feel it is necessary to correct this misinformation. Therefore, I will discuss the amendment on the floor of the Senate in detail on Monday, if I can get the floor.

Meanwhile I will simply state a few facts. The senior Senator from Oregon, my eminent colleague and good friend, Senator MORSE, called my amendment a "rich man's amendment."

It is anything but this.

Fact No. 1: My amendment provides not one dollar of benefit to the millionaire.

Fact No. 2: Families with incomes between \$3,000 and \$10,000 are 62 percent of our population.

Fact No. 3: Families with incomes between \$3,000 and \$10,000 get 62 percent of the dollar benefit under my amendment.

My amendment is an average man's amendment. It benefits the average American family. It helps them at a time when they need help.

By benefiting education, it would benefit America.

People—average people—seem to sense this. Everywhere I go nowadays, they stop to tell me they are rooting for my proposal. At home in Connecticut, here in Washington, and in other parts of the country where I have had speaking engagements, men, women—and youngsters too—speak to me about it.

College costs hit a family in just a few short years—and they hit with an impact that hurts. A \$3,000 college expense is a staggering burden for a man earning \$8,000, or \$12,000, or \$15,000. That is why when I was riding the elevator with the distinguished minority leader the other day, the elevator operator said, "Gee, Mr. RIBICOFF, you really are doing a job for all of us who are trying to get a college education. I hope your amendment passes."

The distinguished chairman of the Foreign Relations Committee, Senator FULBRIGHT, inserted editorials from the Washington newspapers about my amendment. Mr. President, I ask unanimous consent to insert in the Record at this point the letters I wrote in response to two of these editorials.

And, Mr. President, I also ask unanimous consent to insert in the Record at this point, editorials from across the land—where people live—supporting this measure. They show why it would further the cause of education in our land by helping to make college education realistically available to all boys and girls with a capacity for it.

There being no objection, the letters and editorials were ordered to be printed in the Record, as follows:

[From the Washington Post, Dec. 19, 1963]

TAX CREDIT FOR EDUCATION?

The Washington Post's opposition to my amendment giving tax credits for college costs deserves further discussion. Let me deal with your three objections in order.

"First," you write, "it discriminates against those families who cannot in any case help their children through college." If this is a criticism, it applies with equal force to every deduction and credit now allowed by the Internal Revenue Code, for it simply means that those who pay no expenses and have nothing to deduct, get no deduction. Surely, that is not discrimination.

The man too poor to pay his hospital bill gets no benefit from the medical deduction available to his neighbor who does pay his bill. That proves we need to help those who cannot pay their hospital bills; it does not prove that we should deny tax relief to those who pay these costs.

"Unlike direct Federal grants," you continue, "tax credits would provide no assistance to talented young people of limited means who must work their way through college." Not true. My amendment provides a credit for any person who pays for a student's tuition, including the student himself. A student working full-time in summers and part time during the school year will pay, even under the new lower rates, \$225 in taxes on \$2,400 income. If his tuition and books are \$500 or more, my credit proposal would wipe out that tax.

"Worse still," you conclude, "the granting of tax credits would encourage private and public institutions to raise tuition and other fees." First, colleges have been raising their tuitions anyway. A recent study showed that in just 4 years a group of private colleges raised student costs 29 percent and the increase for a group of public colleges was 21 percent.

Furthermore, you assume that colleges set their costs by what the traffic will bear. I do not. I believe their student charges reflect the increased costs they face, not the increased ability of parents to pay. But if you are right, then tuition costs are going up anyway, because every college will know that the basic rate reductions in the pending bill give parents funds, which can be absorbed through increased tuitions.

I think it unlikely that colleges would raise tuitions to cover the entire tax relief given to parents by the pending bill, with or without my amendment. Conceivably, there would be possibility of a slight increase due to tax relief, if the tuition increase were fully or even substantially deductible.

But under my amendment, the major share of the credit is based on the first \$500 of tuition and books. The credit is 10 percent on the next \$1,000. So every \$100 increase in tuition above \$500 gives the taxpayer only a \$10 credit. There is no more reason to oppose this 10 percent credit because of tuition

increase than there was to oppose last year's 7 percent investment credit on the ground that equipment manufacturers would raise their prices.

In sum, I believe those who pay the high costs of a college education are as entitled to some tax relief as those who receive a deduction for medical expenses or casualty losses. There is no doubt that we also need aid to the colleges, as provided in the bill signed by the President this week. And we also need scholarship aid. But it is time to extend some relief to the middle income person who pays in a short span of years a high cost that benefits the entire Nation.

The middle income families are generally not eligible for financial aid. They are the ones my amendment benefits: 51 percent of the dollar benefit goes to families with incomes between \$5,000 and \$10,000, and 91 percent goes to families with incomes below \$20,000.

ABRAHAM RIBICOFF.

[From the Evening Star, Jan. 24, 1964]

COLLEGE TAX RELIEF

I am very pleased the Star agrees that college costs, like medical expenses, are entitled to tax relief. And if, as your editorial said, some changes should be made in the amendment 16 Senators and I have proposed, we would be glad to have suggestions for improving it.

The college tax credit amendment I proposed has already benefited from the suggestions that have been made to improve the various proposals that have been introduced in prior years. For example, earlier proposals had been criticized for giving a preference to private colleges as against public colleges. We therefore adopted the idea of a sliding scale credit so that proportionately greater tax relief is given for the low tuition costs generally found at public colleges.

Even where the public college charges no tuition, the fees, books, and supplies generally add up to \$200. My amendment would provide a credit of \$150. That's 75 percent. Compare that to the \$275 credit that would be available at a private college where tuition is \$1,000; this comes to only 27 percent. Costs at low tuition colleges would get the greatest share of the benefit under my amendment.

Another criticism concerned the very wealthy person who benefited under prior proposals. My amendment reduces the credit in upper income groups and excludes the high income groups completely; 91 percent of the dollar benefit would go to families with incomes below \$20,000. The millionaires would get no benefit at all.

Even with these points already written into the amendment, there may well be other suggestions worth adding. I would certainly give them careful consideration. In any event, I am glad you recognize that a basic problem exists and view with approval the general approach I have taken. You may be sure that every Senator will have a chance to vote on this proposal when I call it up on the Senate floor as an amendment to the tax bill.

ABRAHAM RIBICOFF.

[From the New York Daily News, Jan. 23, 1964]

HOPE RIBICOFF KEEPS FIGHTING

As a rule, we think pretty well of the Senate Finance Committee. We think anything but well of its vote Tuesday to leave out of the tax cut bill a provision for special income tax credits on college students' expenses.

This carefully thought out plan was offered by Senator ABRAHAM RIBICOFF, Democrat of Connecticut. It blueprints only a modest amount of tax-deduction aid to college students and their parents.

We know of no fairer deductions—and we hope Senator RIBICOFF will take this fight to the Senate floor.

[From the Baltimore Sun, Jan. 23, 1964]

COLLEGE TAX CREDIT

It used to be that a family's biggest expense in the lifetime of its chief wage earner was the cost of buying a home—something that is entered into with many safeguards and paid off slowly over many years. Now the biggest expense may be the cost of sending three or four children to college, something that must be paid off more quickly and hits—as a rule—within a short period of time. Even at a State or other public college, the cost of 4 years of education can run as high as \$6,600; an education at a good private college can cost double that sum.

Hence, millions of parents will watch anxiously the fate of Senator RIBICOFF's proposal to allow families special income tax credits (to a maximum of \$325 a year) for each student in college. The administration is opposed to this amendment to its tax bill, but Mr. RIBICOFF, a former Secretary of Health, Education, and Welfare, feels that there is enough support for his plan to override an unfavorable vote by the Senate Finance Committee. The committee majority opposes the Ribicoff proposal following the administration's contention that education can be financed more efficiently through grants and loans.

But can it? The administrative costs involved in any Federal (or, for that matter, State) scholarship plan, the general tendency of scholarships to be restricted to levels below the middle-income group and the inevitable selectivity of Federal support for college scholarship systems provide less help for the average student, and at higher cost, than would a straightforward modest tax reduction. Mr. RIBICOFF's proposal, which would help a great number of families in the most direct way, is likely to be approved if it gets to the floor.

[From the Hartford (Conn.) Courant, Oct. 8, 1963]

WHY NOT TAX RELIEF FOR COLLEGE EXPENSES?

Senator RIBICOFF will find warm supporters among parents of children who are now in college, or who plan to go soon. Mr. RIBICOFF is hoping to introduce an amendment to the tax cut bill that will give some relief to those who are sending their children through college, and are footing the bills. He hopes to introduce a measure that would give these parents full tax relief for all expenditures up to \$1,500. It is estimated that this relief would cost the Treasury around \$750 million a year at this point, and that in a few years the figure will climb to \$1 billion.

Even so, there are all kinds of relief measures built into the tax law that permit allowances for depreciation and depletion. For years some businessmen have had all kinds of extravagances deductible from their tax bills. Of all the citizens the one group that has never been recognized for tax relief is that great middle class that politicians like to call the backbone of their country. And these are the ones who pay their way, and try to give their children a decent education.

The Government itself has recognized the need for superior education, and stimulates higher education by a wide variety of grants and subsidies. But the one area where there is no relief is that where it pinches most. The man of moderate means whose children have not earned scholarships is doomed to at least 4 years of deprivation as he sends his boy or girl through college. And the parent of modest means who has two or more can look forward to a long period of shabby clothing and beat-up cars. It is not a nice feeling for these people to survey the tender, loving care that owners of oil wells, gold